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UNITED STATES DEPARTMENT OF AGRICULTURE

Outlook For Improving Farm Homes

by

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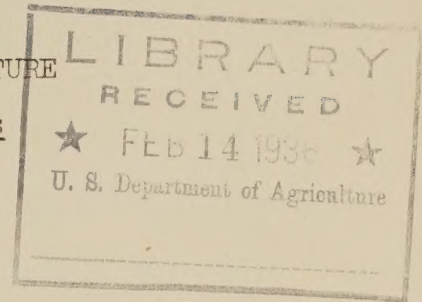
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Activity in improvements to farm homes is likely to show a continuing increase in 1936 over the current year. According to the annual statistical reports of county extension agents the year 1932 marked a very low point in the number of dwellings remodeled according to plans furnished through cooperative extension work during the past ten years, and the year 1934 marked the high point. The number reported for 1932 was 2922 dwellings remodeled according to plans furnished by extension workers; for the year 1933 the number was 3619; and for 1934, the number was 5987, highest of the ten year period.

These figures do not constitute a report of the total construction or remodeling work on farms in the United States, but they do indicate the present trend. They are more reliable as a measure of the influence of extension workers on farm improvement standards, an important matter for our consideration.

The total amount of rural dwelling remodeling and construction is unquestionably many times the volume reported by extension workers. For example the Rural Housing Survey taken in January and February of 1934 shows a total of 97,318 houses built within the preceding ten years. Since this survey was very closely approximate to a 10 percent sample of

rural housing in the United States, and the above figure covers the ten years 1924 to 1934 the figure as given is a fair approximation of the average number of new rural dwellings constructed per annum for the United States from 1924 through 1933. During the same ten year period extension workers assisted in planning a total of 21,325 new rural dwellings constructed, or an average of 2132 dwellings per annum, which is but little more than two percent of the 97,318 annual average for rural dwellings derived from the survey figures. There may be a number of reasons for this large difference between this estimate of average annual rural dwelling construction and the amount in which extension agents aid in planning. It is such a great difference, however, as to raise the question whether our primary interest with reference to this outlook topic is in the economic outlook for improving farm homes, or in the educational outlook for rendering a service equal to the present demand and rate of home improvement. We will consider both aspects of the topic, the economic factors first.

The U. S. D. A. economic outlook indicates "building activity in 1936 probably will be at an appreciably higher level than in 1935, owing chiefly to an expansion of about 50 to 100 percent in residential construction. Although the value of building contracts awarded in 1935 will be about the same or only slightly higher than in 1934, the decrease in Federal building expenditures is being offset by increased private construction. Residential building during recent months has been about twice as large as a year ago, but the comparison is based on a very low level in 1934.

"After a long period of deferred repairs and deferred new construc-

tion, the improvement in consumer incomes and the prospects for further business recovery are bringing out commitments for construction which were deferred during the last few years because of unfavorable business conditions. The value of residential contracts in 1935, although equal to only about one fourth of the 1923-4-5 average, will be about twice as large as in 1934, and shows the first significant annual increase since 1925. Housing rentals, which declined almost continuously during the last 10 years, became fairly stable in 1935, and in many cities have now turned upward. Labor and material costs remain relatively high but reductions in financing costs already in effect and in prospect, together with more liberal terms of payment, will tend to reduce the monthly payments required for the purchase of homes." The above statements refer to urban residential and other construction.

A large volume of remodeling and improvement work has developed in the Federal Housing Administration program. The interest in remodeling and repairs was increasing in the rural field this year due to the activities of the Rural Section of the Federal Housing Administration in cooperation with lending agencies, dealers, and extension workers.

The year 1934 marks the beginning of an upward trend in all three classifications of items reported by extension workers relating to dwelling improvement. The percentage increases of 1934 over 1933 are for dwellings constructed 46 percent; for dwellings remodeled 65 percent; for modern improvements installed 27 percent. The last is a composite of the figures for lighting, heating, and plumbing installations. Home appliances and machines were also increased 34 percent. As mentioned before these records report only extension activity, but they also

indicate similar increases in total improvements to rural homes.

The increases in home improvements in 1934 reflect the influence of agricultural income and may be anticipated in the reports for 1935 and for the year 1936 in relation to the continuing increases in agricultural income. These increases might be shown from statistics of the U. S. D. A. reporting either gross farm income or total cash receipts. The latter probably bear a closer relation to farm purchasing capacity. Cash income from farm marketings on the calendar year basis, including rental and benefit payments, payments for the exercise of cotton options and for emergency purchases of livestock in drought areas by the A. A. A. increased from a low of \$4,328,000,000 for 1932, to over 5 billion in 1933, over 6 billion in 1934, and are estimated approaching 7 billion for 1935. Sustaining this income with its buying power in 1936 is favorable to increases in home improvement investments based on the increased 1935 cash farm income.

Other favorable factors are the increasing activity in urban residential improvement, improving credit conditions, rural electrification promotion and credit facilities, a continuing building material price level, and only a moderate farm wage rate increase.

The current U. S. D. A. economic outlook indicates "in view of the greater demand for hired farm workers now in prospect farm wage rates are expected to continue to advance as much in 1936 as in 1935. If an increase in industrial production materializes in 1936, a slight reduction in the number of workers available for hire in rural areas will also tend to strengthen farm wage rates.

"Labor costs of building on farms are likely to advance in line

with farm wage rates. Wage rates for carpenters and other craftsmen in rural areas, although usually higher than wage rates for hired farm labor, ordinarily are not governed by union wage scales.

"Prices paid by farmers for building materials are likely to remain at about present levels during 1936 since wholesale prices of lumber, the principal building materials purchased by farmers, have shown practically no change during the past year. While sales of building material have been increasing considerably since the spring of 1935, and are expected to continue to increase due to the upward trend in building contracts awarded, there is as yet no indication of any major changes in prices. Even if there should be a change in wholesale prices it would probably not be reflected in prices paid by the farmers for several months because of the lag between changes in wholesale and retail prices."

Summarizing the labor and material cost factors, points to the probability of a slight increase in the costs of new buildings and house improvements in the 1936 outlook due chiefly to higher labor costs, but at a rate much less than current advance of farm incomes.

The outlook for home improvement should include some reference to the influence of construction or remodeling of service buildings on farms. Contrary to thoughtless statements occasionally heard as to the costly barns and poor houses found on farms, the value of farm dwellings is 55 percent of the total value of farm buildings for the United States, and the appearance of farm dwellings indicates they have received more care than have the service buildings. Construction or improvement to service buildings is part of the farm business investment and as such must have the purpose of enhancing or adding greater security to income. Volume of

service building construction is influenced by volume of production, whereas dwelling construction is more dependent on net income. It is, therefore, not surprising to note that reports from county extension workers indicate a fairly steady increase in the number of all farm buildings constructed or remodeled in the last ten years. A further increase above the 55,541 reported for 1934 is probable for the current year and for 1936, but with conditions most favorable for increases in the home improvement work.

A reference has been made to the educational outlook in the field of home improvement. During the recent low ebb of construction work the agricultural educational program has probably kept abreast of the economic progress. We have the opportunity to maintain our educational service at a rate equal to the volume of construction. The best buildings are constructed from good plans and specifications. Home improvement recommendations of merit are most effectively expressed for the use of builders in terms of plans and specifications. Admittedly the degree of standardization possible in the design of service buildings is wholly undesirable in the planning of dwellings. Standardization is impossible in the remodeling of dwellings, and is impractical in many home utility installations. It seems highly desirable therefore for the personnel of the agricultural colleges engaged in home improvement studies and field work to cultivate those professional and commercial contacts which will cause architects, builders, artisans, material dealers, power companies, and others supplying home improvement services, to recognize the merit of the information, recommendations, plans and suggestions available from the agricultural colleges.

The value of such contacts is indicated by the influence commercial advice has upon farm building practices as shown in a survey of six thousand farms in Illinois in the year 1928. In this survey 53.2 percent of the farmers stated that they obtain their information and advice concerning improved building practices from local lumber companies, 6.1 percent from "commercial concerns"; 11.7 percent recognized that county farm advisors furnished them with building information, and 4.1 percent obtained building information from State colleges of agriculture; the remainder 24.9 percent looked to other sources. The last figure may probably be attributed principally to advice given by local carpenters and neighbors. In brief, less than 1000 of those 6000 farmers were obtaining building advice directly from a college source. Will you also recall that our extension agents are reporting what is apparently less than a 3 percent contact on rural dwellings constructed during the ten years from 1924 through 1933.

Something more than farm contacts and meetings is needed. Plan service catalogs are a very effective means to attain the needed spread of educational influence. Bulletins which aid in home improvement planning are another means. The Department of Agriculture and many State colleges are endeavoring to make building information of regional and national application available to States needing dwelling and other building plans, and to the various materials trade associations concerned with rural building business.

Fifteen States in the midwest have issued a plan catalog illustrating plans common to building practice in all of these States. The Bureau of Agricultural Engineering aided these States in this cooperative

endeavor, and is encouraging other States to cooperate in groups. It also has made the bulletin "Farmhouse Plans", No. F-1738, serve the purpose of a catalog by furnishing negatives to any State agricultural college on request for reproducing working drawings of any of the forty plans illustrated in the bulletin. Forty State colleges are now prepared to supply these plans to farmers.

Commercial interests welcome the opportunity to use and recommend the building advice issuing from the State agricultural colleges and the U. S. Department of Agriculture. It is our opportunity to make our recommendations more available for the use of commercial interests in order to reach the large majority of farmers who obtain advice from them. The year 1936 presents an opportunity to extension workers to use working plans, bulletins and other illustrative materials, and by systematic organization to enlist the cooperation of others concerned with the work of farm home improvement.

